

coaches and to build one new coach which is about completed, and rebuild the shops, thereby increasing our floating debt to \$30,000, which amount is due to employees of the company for work and labor done, for the purchase of ties and other material, and to the R. & D. Railroad for purchase of engine.

The road having about reached Asheville, for the further progress of the work we are confronted with these facts and figures which candor and a proper sense of public duty require me to again refer to :

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|----------------------------------|------------|
| The floating debt is..... | \$30,000 |
| 2 engines now required,..... | 18,000 |
| Rolling stock now required,..... | 12,000 |
| Repairing old engines, | 10,000 |
| Machinery for shops,..... | 3,000 |
| Covering of Catawba bridge,..... | 2,000 |
| 100,000 cross-ties,..... | 20,000 |
| 20 miles new iron,..... | 160,000 |
| 50 hands ditching 2 years, .. | 26,000 |
| | <hr/> |
| | \$281,000 |
| Less worth of old rail,..... | 60,000 |
| | <hr/> |
| Total,..... | \$ 221,000 |

To meet this requirement and to build a road estimated to cost \$5,980,000, we have yearly earnings amounting to \$22,177 and an appropriation of \$70,000 per annum. I am, however, of the opinion that our net earnings will be very greatly increased as soon as the connection is made at Paint Rock. By a mortgage upon the completed part the line to Paint Rock could be finished and a few miles in the direction of Ducktown, but any attempt to mortgage the right of way beyond this could result, even with any increased earn-